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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 000281

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TAGS: [PREL](#) [MASS](#) [PARM](#) [CH](#) [TW](#)

SUBJECT: TAIWAN ARMS SALE: MEDIA REMAINS FIERCELY CRITICAL,
GOVERNMENT UNDER PRESSURE ON SANCTIONS

REF: A. BEIJING 248

[B](#). BEIJING 260

[C](#). BEIJING 268

[D](#). BEIJING 269

[E](#). BEIJING 270

Classified By: Deputy Political Section Chief Ben Moeling.
Reasons 1.4 (b) and (d).

[1](#). (C) Summary: Beijing observers continue to claim that despite the loud and angry official reaction to the U.S. announcement of arms sales to Taiwan, the government wants to avoid fundamentally damaging U.S.-China relations. Nonetheless, real popular discontent may underlay harsh media statements. One Beijing scholar pointed to frustration in some circles that the Obama Administration talked about improving relations but has been unwilling to make substantive changes. Another suggested public anger would push the government into stronger measures, such as a large increase in the military budget and a high-profile test of its "anti-carrier" ballistic missile (a test that has been rumored to be in the works for some time). A Guangdong observer took a nationalistic line, noting China's continued rise and advising the U.S. not to alienate Chinese citizens now, for fear of future consequences. The Mainland media continued its criticism of the arms sale, favorably quoting the Foreign Ministry Spokesman's statements on sanctions against U.S. companies involved in the sale, and damage to cooperation on international issues (ref. D). A Chinese News Service (Xinhua) report on Ambassador Huntsman's media roundtable headlined "U.S. Ambassador hopes downturn in U.S.-China relations doesn't last long" was reprinted by 31 media outlets online.
End Summary.

Dissatisfaction and Political Correctness

[2](#). (C) Beijing University School of International Studies Deputy Director Zhu Feng told Poloff February 3 that he was "a bit surprised at China's overreaction" to the arms sales announcement. Zhu believed that the fundamental reason for Beijing's strong response was increasing dissatisfaction in the PRC leadership with the "lack of substance" in bilateral relations, despite official assessments that they improved in [2009](#). "China wants real, tangible changes in the nature of relations, but sees the Obama Administration's initiatives as mostly rhetorical," Zhu said. The "overreaction," however, he attributed to government dynamics in Beijing. "The PLA reaction is emotional," Zhu explained, "the MFA does not want to be marginalized, and nobody wants to be seen as 'chicken'." Everyone is reacting individually, without any cross agency coordination, and strong statements are a kind of "political correctness," Zhu noted.

More Sound than Fury

13. (C) Zi Zhongyun, Senior Fellow at the Institute of American Studies at the Chinese Academy of Social Sciences, told Poloff February 3 that the Chinese reaction to the arms sales announcement was "more rhetoric than substance." In her analysis, the Chinese public was genuinely shocked by the arms sale, having been "lulled into false expectations" by continual good-news stories about the U.S.-China relationship beginning with the 30th anniversary celebrations in January, 2009. The Chinese media was fueling, rather than reducing, this sense of outrage, she said. She vehemently criticized Chinese newspapers, particularly the Global Times, for "misleading" the public. Behind the media's blaring headlines, however, were pragmatic policymakers who understand the relationship and do not want to see a prolonged downturn, she said.

Government May Be Forced To Do More Than It Wants To

14. (C) Renmin University Professor Jin Canrong told Poloff February 3 that, though no one in the Chinese "establishment" wanted to see the arms sale seriously affect U.S.-China relations, pressure from public opinion would force them to act. The Chinese government needed to "stand up to" the United States to keep public constituencies happy, Jin said. "Chinese rulers are technocrats, not ideologues or real opinion leaders," Jin reasoned. "Therefore, when presented with a crisis, they have to follow the wind instead of taking a clear position." Jin said that the Chinese leadership will have to show that it can react with actions as well as words.

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He said that he expected that China would announce a larger than predicted military budget this year and conduct a public test of the Dong Feng anti-ship "carrier killer" missile, leaving no doubt that these actions were tied to the U.S. arms sale. (Note: Jin may have been referring to the Dong Feng 21 anti-ship ballistic missile, which has been in the Chinese press.) In the future, Jin said, the "price" for U.S. arms sales to Taiwan would continue to rise as China's public demanded its leaders impose "real consequences" on the United States for its Taiwan policy.

15. (C) Tao Wenzhao, Senior Fellow at the China Academy of Social Sciences (CASS), agreed with Jin that some Chinese action that went beyond rhetoric would be necessary for the government at this point. He said that it may not have been the intention of the government to impose concrete measures on the United States at first, but popular demand was too high to ignore now. "They will have to do something to follow through on the sanctions threat at least," Tao said, "but it is completely unclear what they might do. Their options are not good." The Chinese government's interest now is responding to public opinion adequately while preserving the relationship with the United States, he said.

Guangzhou Contact Vitriolic

16. (SBU) In Guangzhou, Fan Haiquan of the Guangdong Social Science Academy told ConGenOff that he did not think the military sales would affect cross Strait ties, except perhaps regarding potential military dialogues or mutual security measures. On U.S.-China relations, however, Fan criticized Washington for failing to calculate the future impact of the Chinese people's "growing hatred" for the "hegemonic and unilateral behavior" of the United States. Previously, Beijing had to tolerate the U.S.' pro-Taiwan actions because it was weak, Fan said. Someday in the future, China will be strong enough that it will not have to tolerate this anymore. At that time, does America want to deal with Chinese people "filled with goodwill or hatred," Fan asked.

Sanctions against U.S. Companies

¶7. (C) Zhu Feng of Beijing University said he did not take sanctions seriously. "This is a storm that will pass." Boeing is so integrated into the PRC economy that it cannot easily be sanctioned without the action backfiring, Zhu noted. Further, China does not want to harm our bilateral commercial ties, he posited.

Media Reaction

¶8. (SBU) The mainland media continued to strongly oppose arms sales to Taiwan, and alluded to consequences to the U.S.-China bilateral relationship. Many papers mentioned China was "firm" on sanctions against U.S. companies as a substantive bargaining chip to hit the U.S. where it hurts: its economy. Renmin Ribao (People's Daily, circ 2.2 million) on February 3 quoted Chinese Foreign Ministry Spokesman Ma Zhaoxu's comments at the regularly scheduled press briefing on February 2. Ma's comments were also carried in the China Daily in a front page article that also quoted Gong Li, Deputy Director of the Central Party School International Institute for Strategic Studies, saying "With good prospects for cross-Straits relations there is no need to sell Taiwan those weapons at all."

¶9. (SBU) Huanqiu Shibao (Global Times, circ 1.5 million) quoted Beijing University's Center for China Strategy Research scholar Dai Xu as saying "China recognizes that a few perfunctory protests will not have any effect. China must come up with substantive counter-measures to enable the U.S. to pay a price in its own economy so that it will feel the pain.... China can't directly sanction American arms companies since they did not do business with China... but China can sanction companies that are doing business with China directly, like Boeing or General Electric."

¶10. (SBU) News of Ambassador Huntsman's February 2 roundtable with Chinese press was not broadly reported, although a Chinese News Service (Xinhua) report headlined "U.S. Ambassador hopes downturn in U.S.-China relations doesn't last long" was reprinted by 31 media outlets online. Xinhua highlighted the Ambassador's comments that the bilateral relationship was the most complex and important in the world.
HUNTSMAN